(Mr. FEINGOLD) was added as a cosponsor of S. 1287, a bill to amend section 502(a)(5) of the Higher Education Act of 1965 regarding the definition of a Hispanic-serving institution.

S. 1484

At the request of Mr. WYDEN, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 1484, a bill to require a report on Federal Government use of commercial and other databases for national security, intelligence, and law enforcement purposes, and for other purposes.

S. 1531

At the request of Mr. HATCH, the names of the Senator from Texas (Mr. CORNYN), the Senator from Missouri (Mr. TALENT), the Senator from Idaho (Mr. CRAIG), the Senator from Idaho (Mr. CRAPO), the Senator from Ohio (Mr. DEWINE), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Maine (Ms. SNOWE), the Senator from Alaska (Mr. STEVENS), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Michigan (Mr. LEVIN) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 1531, a bill to require the Secretary of the Treasury to mint coins in commemoration of Chief Justice John Marshall.

S. 1564

At the request of Mr. CORZINE, the names of the Senator from California (Mrs. BOXER) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 1564, a bill to provide for the provision by hospitals of emergency contraceptives to women who are survivors of sexual assault.

S.J. RES. 17

At the request of Mr. DORGAN, the names of the Senator from Vermont (Mr. JEFFORDS) and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S.J. Res. 17, a joint resolution disapproving the rule submitted by the Federal Communications Commission with respect to broadcast media ownership.

AMENDMENT NO. 1552

At the request of Ms. MIKULSKI, the names of the Senator from Alaska (Ms. MURKOWSKI), the Senator from South Dakota (Mr. JOHNSON) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of amendment No. 1552 proposed to H.R. 2660, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2004, and for other purposes.

AMENDMENT NO. 1561

At the request of Mr. DEWINE, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of amendment No. 1561 proposed to H.R. 2660, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2004, and for other purposes.

AMENDMENT NO. 1562

At the request of Mr. DODD, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of amendment No. 1562 intended to be proposed to H.R. 2660, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2004, and for other purposes.

AMENDMENT NO. 1564

At the request of Mr. COLEMAN, the name of the Senator from North Carolina (Mrs. DOLE) was added as a cosponsor of amendment No. 1564 intended to be proposed to H.R. 2660, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2004, and for other purposes.

AMENDMENT NO. 1572

At the request of Mr. DODD, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of amendment No. 1572 proposed to H.R. 2660, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2004, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LIEBERMAN:

S. 1592. A bill to require negotiation and appropriate action with respect to certain countries that engage in currency manipulation; to the Committee on Finance.

Mr. LIEBERMAN. Mr. President, if you should find yourself hankering for a hamburger, may I respectfully suggest that you go to Beijing? That's where you'll find the world's cheapest hamburgers.

I have this useful information courtesy of the good people at The Economist magazine, who for over 15 years have periodically compiled their ''Big Mac'' index to chart the relative values of national currencies. The index is based on what it costs to buy one of the world's most ubiquitous commodities.

Now the recipe for a Big Mac is pretty much the same everywhere, and in a perfect world it would presumably cost about the same everywhere. The Economist uses this observation to gain an insight into currency valuations. But we find that instead of costing about the same, as one would expect, in Chinese yuan a Big Mac costs about 56 percent less than it would in the average American city. This differential is greater than that for any other country in the most recent Big Mac index in April. Such a bargain.

Why does this massive price differential exist? It exists because the yuan has been systematically kept at low value—an artificially low value—pursuant to intervention by the Chinese government in currency markets. The yuan been systematically undervalued by a lot. Fifty-six percent—the differential in the April index—is probably a bit high. Many experts put the figure at closer to 40 percent. That's plenty.

That's why China has the world's cheapest hamburgers. The Chinese have held the yuan at a nearly fixed value relative to the dollar since 1994, and that value is about 40 percent lower than it should be in an unfettered currency market.

How has China achieved this unnatural and non-market result? The Chinese maintain the yuan's low value through mandatory foreign-exchange purchases by their central bank, and since 1994 they have bought almost 300 billion U.S. dollars to keep the yuan's value low.

What is so bad about cheap hamburgers in China and this intervention in the currency markets? If we were only dealing with hamburgers, I would not object, but the Big Mac Index explains a good deal about why we have seen a catastrophic and growing trade deficit with China and why this is causing massive layoffs in the U.S. manufacturing sector.

The undervalued currency is driving the Chinese export machine and simultaneously smothering U.S. manufacturing. China has some very real competitive advantages in international trade, including a low-cost, hard-working labor force. But their exports start out with a 40 percent price advantage based purely on their artificially undervalued currency. This is artificial and unfair.

To keep the yuan's value down China is buying dollars at a rate of about $120 billion a year, which happens to be about the same amount as our trade deficit with China.

And we're seeing the results of this undervalued yuan on a daily basis here in the Untied States. The results are vanished jobs in our manufacturing industries, closed plants, a hollowing out of our manufacturing sector. Last week we learned of an additional 44,000 manufacturing jobs lost in August alone, and that was a continuation of a sad, sad trend.

Manufacturing employment has fallen monthly for 37 consecutive months.

Two point seven million manufacturing jobs have been lost since July 2000. Manufacturing job losses have accounted for as much as 90 percent of our total job losses in this so-called ''jobless recovery''. In Connecticut we've lost more than 14 out of every 100 manufacturing jobs that we had in July 2000.

And it's clear that trade plays a major role in this. Manufacturing is deeply dependent on trade—manufactured goods make up 80 percent of all U.S. merchandise exports. Our manufacturing trade deficit with China is the worst bilateral manufacturing deficit in the world. Not surprisingly, when you consider that 40 percent price advantage, we have a trade deficit with China in every major manufacturing industry except aircraft, with electronics, machinery, textiles and apparel the worst.

I've used China as an example of this pernicious manipulation of currency values, but it does not stand alone in this black art. Last month Japan outdid China in currency market intervention, spending $11 billion to defend the yen, which is estimated to be undervalued by approximately 20 percent. Central banks in Taiwan and South Korea have been purchasing dollars aggressively as well, holding down the values of their currencies. Together those four countries hold about $1.21 trillion in currency reserves, and the vast majority of these reserves, perhaps as high as 90 percent, are thought to be in dollars. Significantly, those same four countries—China, Japan, Taiwan and South Korea—account for about 60 percent of the U.S. trade deficit in manufactured goods.

To date the Bush Administration response to this assault on our manufacturing sector has been belated, tepid and ineffectual. It tried to ignore it. Lately, when it became clear even to the Administration that they could no longer ignore the depressing job losses, Treasury Secretary Snow traveled to Beijing to try his hand at persuading the Chinese to let their currency rise to its natural market level. He got the brush off. Why should the Chinese government take this Administration seriously about the currency issue when it is clear that the Administration isn't, in fact, serious about it? Why should this be a priority to China when it's not a priority of the United States?

We can no longer afford to make gestures regarding these issues. We have to be serious to be taken seriously. To this end, I am today introducing legislation to require prompt and firm action against those nations that most egregiously manipulate their currencies to achieve an unfair trade advantage.

The Bush Administration has options under the international trade laws to deal with this situation, options it is not yet willing to pursue. Under my legislation the Administration will be pressed to defend legitimate U.S. interests and avail ourselves of our rights and authority under a variety of international trade agreements.

These options include taking action under the articles of the International Monetary Fund that prohibit currency manipulation by member states in order to achieve an unfair competitive advantage. They include action under the General Agreement on Tariffs and Trade and the World Trade Organization that members will not use currency exchange rates to frustrate the organization goals of reciprocal and mutually advantageous trade. We also have rights under U.S. trade law and our bilateral agreements, including Section 301 and Section 406.

I introduce this legislation knowing full well that these are complex issues and that trade policy decisions does occur in a vacuum. Certainly some in the U.S. receive benefits from cheaper imports. If not cheaper hamburgers than certainly cheaper electronics, cheaper clothing, and cheaper machinery are flooding our markets. What we gain at the checkout counter, however, we are losing at the payroll window. When some here gain from cheap imports because of illegal and unfair manipulation of currencies, the gains are not worth the price that they extract from U.S. companies seeking a fair opportunity to compete with these imports or to export U.S. products. They are not worth the price we pay in terms of U.S. credibility in standing up for our legitimate rights and interests.

I am well aware that China, like Japan, deploys its massive currency reserves to buy up U.S. debt. This helps us finance the U.S. debt at low interest rates. Given the Bush Administration fiscal policy, we are now headed towards doubling the national debt, making us more dependent on foreign funding of our debts. This is a form of dependency that comes at a price, much like our dependency on foreign oil. If the Administration were to become serious about currency manipulation, it could strengthen its hand; it would adopt a fiscal policy that reduces our dependence on foreigners to finance our national debt. While I am concerned about our ability to finance our government debt, I believe that there are ample reasons why China, Japan and others will maintain these investments even if they abandon their intervention in the currency markets.

I am also aware that the United States maintains a multifaceted strategic relationship with China and Japan. We and the rest of the world would benefit, for example, from China's assistance in negotiations with North Korea. But again, this is no reason not to be forceful with these countries when they transgress the international norms and laws for international trade.

There are many vital and strategic issues at stake in our relationships with China and Japan, but when all is said and done we cannot afford to turn a blind eye to these illegal and unjustified currency manipulation games. We simply cannot give away our manufacturing sector and manufacturing jobs.

If we tolerate these manipulations, we lose credibility in dealing with other policy issues that arise in these relationships.

I believe that everyone in this chamber recognizes that I am strongly committed to free trade. But I cannot defend free trade unless it is also fair. And what we have today with these currency manipulations is not fair trade. It's manipulation, it confers an unfair competitive advantage, and it is hurting Americans. It is long past time to act, it is time to take this challenge seriously, and it is time to defend legitimate American interests. We are acting assertively in pursuit of our national interest in Iraq, and it is time to do the same with countries that seek to secure an unfair competitive advantage in international trade.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection the bill was ordered to be printed in the RECORD, as follows:

S. 1592

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fair Currency Enforcement Act of 2003''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The manufacturing sector is an important driver of the United States economy, contributing almost 30 percent of our economic growth during the 1990's, and twice the productivity growth of the service sector during that period.

(2) The manufacturing sector contributes significantly to our Nation's development of new products and technologies for world markets, performing almost 60 percent of all research and development in the United States over the past two decades.

(3) The manufacturing sector provides high quality jobs, with average weekly wages in 2002 nearly 26 percent higher than jobs in the service sector.

(4) The manufacturing growth creates a significant number of jobs and investments in other sectors of the economy, and this ''multiplier effect'' is reckoned by economists to be larger (2.43 to 1) than for any other significant sector of the economy.

(5) The ''jobless recovery'' from the recent recession has witnessed the worst job slump since the Great Depression and the weakest employment recovery on record.

(6) The manufacturing sector has been hit the hardest by the jobless recovery, with more than 2,700,000 jobs lost since July 2000, accounting for nearly 90 percent of the total United States jobs lost.

(7) A significant factor in the loss of valuable United States manufacturing jobs is the difficulty faced by United States manufacturers in competing effectively against lower priced foreign products.

(8) A significant obstacle to United States manufacturers in competing against foreign manufacturers is the practice of some governments of intervening aggressively in currency markets to maintain their own currencies at artificially low valuations, thus subsidizing their export sales and raising price barriers to imports from the United States.

(9) Certain Asian countries exemplify this practice. China, Japan, South Korea, and Taiwan together have accumulated approximately $1,200,000,000,000 in foreign currency reserves, about ½ of the world's total reserves. The vast majority of these reserves, perhaps as high as 90 percent, are in dollars. These same 4 countries account for 60 percent of the United States world trade deficit in manufactured goods. These reserves are symptomatic of a strategy of intervention to manipulate currency values.

(10) The People's Republic of China is particularly aggressive in intervening to maintain the value of its currency, the renminbi, at an artificially low rate. China maintains this rate by mandating foreign exchange sales at its central bank at a fixed exchange rate against the dollar, in effect, pegging the

renminbi at this rate. This low rate represents a significant reason why China has contributed the most to our trade deficit in manufactured goods. The United States trade deficit with China increased from $57,000,000,000 in 1998 to $103,000,000,000 in 2002, while China accumulated dollar reserves totaling over $345,000,000,000 as of June 2003, keeping the value of the renminbi essentially flat since 1994.

(11) Economists estimate that as a result of this manipulation of the Chinese currency, the renminbi is undervalued by between 15 and 40 percent, effectively creating a 15- to 40-percent subsidy for Chinese exports and giving Chinese manufacturers a significant price advantage over United States and other competitors.

(12) Japan held foreign currency reserves worth $526,600,000,000 as of June 2003, and for the previous 6 months increased its reserves by an average of $12,500,000,000 per month. Experts estimate that the yen is undervalued by approximately 20 percent or more, giving Japanese manufacturers a significant price advantage over United States competitors.

(13) In addition to being placed at a competitive disadvantage by foreign competitors' exports that are unfairly subsidized by strategically undervalued currencies, United States manufacturers also may face significant nontariff barriers to their own exports to these same countries. For example, in China a complex system involving that nation's value added tax and special tax rebates ensures that semiconductor devices imported into China are taxed at 17 percent while domestic devices are effectively taxed at 6 percent.

(14) The United States has the right and power to redress unfair competitive practices in international trade involving currency manipulation.

(15) Under section 3004 of the Omnibus Trade and Competitiveness Act of 1988, the Secretary of the Treasury is required to determine whether any country is manipulating the rate of exchange between its currency and the dollar for the purpose of preventing effective balance of payments adjustments or gaining unfair advantage in international trade. If such violations are found, the Secretary of the Treasury is required to undertake negotiations with any country that has a significant trade surplus.

(16) Article IV of the Articles of Agreement of the International Monetary Fund prohibits currency manipulation by a member for the purposes of gaining an unfair competitive advantage over other members, and the related surveillance provision defines ''manipulation'' to include ''protracted large-scale intervention in one direction in the exchange market''.

(17) Under Article XV of the Exchange Agreements of the General Agreement on Tariffs and Trade, all contracting parties ''shall not, by exchange action, frustrate the intent of the provisions of this Agreement, nor by trade action, the intent of the Articles of Agreement of the International Monetary Fund''. Such actions are actionable violations. The intent of the General Agreement on Tariffs and Trade Exchange Agreement, as stated in the preamble of that Agreement, includes the objective of ''entering into reciprocal and mutually advantageous arrangements directed to substantial reduction of tariffs and other barriers to trade,'' and currency manipulation may constitute a trade barrier disruptive to reciprocal and mutually advantageous trade arrangements.

(18) Deliberate currency manipulation by nations to significantly undervalue their currencies also may be interpreted as a violation of the Agreement on Subsidies and Countervailing Measures of the World Trade Organization (as described in section 101(d)(12)) of the Uruguay Round Agreements Act, which could lead to action and remedy under the World Trade Organization dispute settlement procedures.

(19) Deliberate, large-scale intervention by governments in currency markets to significantly undervalue their currencies may be a nullification and impairment of trade benefits precluded under Article XXIII of the General Agreement on Tariffs and Trade, and subject to remedy.

(20) The United States Trade Representative also has authority to pursue remedial actions under section 301 of the Trade Act of 1974.

(21) The United States has special rights to take action to redress market disruption under section 406 of the Trade Act of 1974 adopted pursuant to the provisions of the United States-China Bilateral Agreement on World Trade Organization Accession.

(22) While large-scale manipulation of currencies by certain major trading partners to achieve an unfair competitive advantage is one of the most pervasive barriers faces by the manufacturing sector in the United States, other factors are contributing to the decline of manufacturing and small and midsized manufacturing firms in the United States, including but not limited to non-tariff trade barriers, lax enforcement of existing trade agreements, and weak or under utilized government support for trade promotion.

SEC. 3. NEGOTIATION PERIOD REGARDING CURRENCY NEGOTIATIONS.

Beginning on the date of enactment of this Act, the President shall begin bilateral and multilateral negotiations for a 90-day period with those governments of nations determined to be engaged most egregiously in currency manipulation, as defined in section 7, to seek a prompt and orderly end to such currency manipulation and to ensure that the currencies of these countries are freely traded on international currency markets, or are established at a level that reflects a more appropriate and accurate market value. The President shall seek support in this process from international agencies and other nations and regions adversely affected by these currency practices.

SEC. 4. FINDINGS OF FACT AND REPORT REGARDING CURRENCY MANIPULATION.

(a) IN GENERAL.—During the 90-day negotiation period described in section 3, the International Trade Commission shall—

(1) ascertain and develop the full facts and details concerning how countries have acted to manipulate their currencies to increase their exports to the United States and limit their imports of United States products;

(2) quantify the extent of this currency manipulation;

(3) examine in detail how these currency practices have affected and will continue to affect United States manufacturers and United States trade levels, both for imports and exports;

(4) review whether and to what extent reduction of currency manipulation and the accumulation of dollar-denominated currency reserves and public debt instruments might adversely affect United States interest rates and public debt financing;

(5) make a determination of any and all available mechanisms for redress under applicable international trade treaties and agreements, including the Articles of Agreement of the International Monetary Fund, the General Agreement on Tariffs and Trade, the World Trade Organization Agreements, and United States trade laws; and

(6) undertake other appropriate evaluations of the issues described in paragraphs (1) through (5).

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the International Trade Commission shall provide a detailed report to the President, the United States Trade Representative, the Secretary of the Treasury, and the appropriate congressional committees on the findings made as a result of the reviews undertaken under paragraphs (1) through (6) of subsection (a).

SEC. 5. INSTITUTE PROCEEDINGS REGARDING CURRENCY MANIPULATION.

At the end of the 90-day negotiation period provided for in section 3, if agreements are not reached by the President to promptly end currency manipulation, the President shall institute proceedings under the relevant provisions of international law and United States trade laws including sections 301 and 406 of the Trade Act of 1974 with respect to those countries that, based on the findings of the International Trade Commission under section 4, continue to engage in the most egregious currency manipulation. In addition to seeking a prompt end to currency manipulation, the President shall seek appropriate damages and remedies for the Nation's manufacturers and other affected parties. If the President does not institute action, the President shall, not later than 120 days after the date of enactment of this Act, provide to the appropriate congressional committees a detailed explanation and accounting of precisely why the President has determined not to institute action.

SEC. 6. ADDITIONAL REPORTS AND RECOMMENDATIONS.

(a) NATIONAL SECURITY.—Within 90 days of the date of enactment of this Act, the Secretary of Defense shall provide a detailed report to the appropriate congressional committees evaluating the effects on our national security of countries engaging in significant currency manipulations, and the effect of such manipulation on critical manufacturing sectors such as semiconductors.

(b) OTHER UNFAIR TRADE PRACTICES.—Within 90 days of the date of enactment of this Act, the United States Trade Representative and the International Trade Commission shall evaluate and report in detail to the appropriate congressional committees on other trade practices and trade barriers by major East Asian trading nations potentially in violation of international trade agreements, including the practice of maintaining a value-added or other tax regime that effectively discriminates against imports by underpricing domestically produced goods.

(c) TRADE ENFORCEMENT.—Within 90 days of the date of enactment of this Act, the United States Trade Representative and the International Trade Commission shall report in detail to the appropriate congressional committees on steps that could be taken to significantly improve trade enforcement efforts against unfair trade practices by competitor trading nations, including making recommendations for additional support for trade enforcement efforts.

(d) TRADE PROMOTION.—Within 90 days of the date of enactment of this Act, the Secretaries of State and Commerce, and the United States Trade Representative, shall prepare a detailed report with recommendations on steps that could be undertaken to significantly improve trade promotion for United States goods and services, including recommendations on additional support to improve trade promotion.

SEC. 7. CURRENCY MANIPULATION DEFINED.

In this Act, the term ''currency manipulation'' means—

(1) large-scale manipulation of exchange rates by a nation in order to gain an unfair competitive advantage as stated in Article IV of the Articles of Agreement of the International Monetary Fund and related surveillance provisions;

(2) sustained, large-scale currency intervention in one direction, through mandatory foreign exchange sales at a nation's central bank at a fixed exchange rate; or

(3) other mechanisms, used to maintain a currency at a fixed exchange rate relative to another currency.

AMENDMENTS SUBMITTED & PROPOSED

SA 1589. Mr. STEVENS (for Mrs. FEINSTEIN) proposed an amendment to the resolution S. Res. 212, welcoming His Holiness the Fourteenth Dalai Lama and recognizing his commitment to non-violence, human rights, freedom, and democracy.

TEXT OF AMENDMENTS

SA 1589. Mr. STEVENS (for Mrs. FEINSTEIN) proposed an amendment to the resolution S. Res. 212, welcoming His Holiness the Fourteenth Dalai Lama and recognizing his commitment to non-violence, human rights, freedom, and democracy, as follows:

On page 1:

In the preamble, strike: